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Opportunities for Cooperatives in the Southeast

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In discussing this subject of opportunities for cooperatives in the Southeast, I think perhaps we can break it into four different sections:

- A. Present development of cooperatives in the Southeast.
- B. Opportunities for farmers in the Southeast.
- C. Opportunities for cooperatives in the Southeast.
- D. Research program needed to implement development of cooperatives.

A. The cooperatives in the Southeast have been relatively slower in developing than perhaps has been the case in other sections of the country. Undoubtedly there are a number of reasons for this lethargy in their development. Perhaps one of the principal reasons is the ancient landlord-tenant system which exists in this area. Second is that the farms are unusually small in this area if they are independently owned; and in those cases, of course, the small independent farmer is really not independent in the financing of his operation, because he is either financed by a banker or a supply merchant who controls him. This situation sometimes makes it rather difficult for him to sell his products or buy his supplies through a cooperative which he might wish to join.

The next thing that probably has been the cause of slow development is a lack of positive cooperative education program at the college level. The agricultural colleges have been rather slow in adding cooperative courses to their curricula. This in turn has created a lack of positive knowledge of the work which cooperatives can do, among the county agents and other agricultural people who disseminate information to the farmers. Furthermore, an agricultural college graduate who returns to the farm lacks sufficient information to plan very well for his farm in terms of working through any available cooperatives. In other words, he simply knows nothing about them and consequently has very little interest in either organizing them or inquiring into the use of them.

Undoubtedly this situation stems not so much from the unwillingness of the college people to inaugurate such courses, but basically because those of us in cooperative work have probably been derelict in bringing it to their attention, and also to the fact that we have had so few cooperatives in this area that they just have not made an impression on the college people. However, this situation is changing, and many of the colleges at the present time do offer courses in cooperative marketing and purchasing; and perhaps within a number of years the picture will be much brighter from that standpoint than it is at the present time.

Talk given before the Extension Workshop following the American Institute of Cooperation at Raleigh, North Carolina, August 2-3, 1956.
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B. As to the opportunities of farmers in the Southeast, we need to review the history for a short while. This area for generations has been entirely an agricultural area. As a matter of fact, in the early colonial days, and those days immediately following the colonial era, this was one of the wealthiest sections of the United States, due entirely to the fact that we produced a tremendous amount of cotton which went into the export markets of the world and thus brought a great deal of money back into this area. About the only feedstuffs which were produced were some corn, but not nearly enough to feed the mules and horses which provided the power on those farms. As a matter of fact, this area was then, and is now, a deficit area as far as feedstuffs are concerned, although the pattern of agriculture has changed tremendously.

With the advent of the boll weevil in the period around 1914 to 1918, the farmers were stricken to the point that many of them were prostrate, because the only crop they knew how to grow -- cotton -- was completely knocked out for a time by the boll weevil. Having no knowledge or experience in the production of other crops, and having no markets available to them for other crops if they should produce them, many of them began to leave their farms and move into the cities. It was about this time that the industrial revolution began in the Southeast, and that revolution has continued until this day. As a matter of fact, it is stepping up each day, so that the movement from the farm to the city is still continuing, and in my judgment will continue for many, many years in the future.

Meanwhile, we have had many changes which have forced a change in the pattern of agriculture. While we have learned to control the boll weevil to a considerable extent by the use of poisons, we have within the last twenty years practically lost completely our export markets for cotton. This, together with the ravages of the boll weevil, has forced us to turn to other crops, among which are corn, wheat, oats, livestock, and poultry.

We have witnessed an amazing increase in the production of corn in this area through the research that has gone on in the experiment stations. As an illustration of this, for many generations the average yield per acre was 11 bushels. At the present time it is about 22 bushels. In the corn contests which are conducted in Georgia, many farmers are producing in excess of 100 bushels per acre, and some are obtaining even 200 bushels per acre. It is not unreasonable to believe that we will reach in time an average production in the neighborhood of 50 bushels per acre.

In addition to that, many of our farmers have turned to livestock, and to the production of pulp wood. While our livestock production has increased very rapidly, there is still considerable room for expansion. We still have a deficit in milk production, and there is certainly ample room in that area for increased production. While we in Georgia stand as the No. 1 producer of broilers in the Nation, we are still in a deficit position with reference to eggs, and there is certainly additional room for production of eggs. Furthermore, as our industrial expansion grows, the farmers who are left are going to have to produce more and more vegetables and foodstuffs for the urban population. At the present time we produce very small quantities of that on a commercial basis, and this is certainly a field in which there are great opportunities.

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Our nut production, such as pecans and peanuts, while relatively large in some areas, still could develop in other areas. Peach production, which once was a major crop in Georgia, has declined to where even South Carolina is producing more than Georgia, and California is producing more than both of them. This is an area which needs a great deal of work. Soybean production is a new development in our area and is coming to the front very rapidly. As our production of poultry and livestock is stepped up, we will, of course, need larger quantities of grains out of which we will produce feed for those fowls and animals; so that this, too, offers a good opportunity for the farmers who will be left on the land.

C. Next, let us consider the opportunity for cooperatives. With all this potential expansion in our changed agriculture there certainly should be a fine opportunity for the farmers to improve their income through the use of their cooperatives. But here is the point where the hard work begins. In the first place, a cooperative is not a panacea for all the problems that beset the farmer, as those of us who have been in it for many years well recognize. It is a tool which can aid the farmer in increasing his income. The story has to be told over and over again, and inasmuch as our people are so lacking in fundamental knowledge of cooperatives, it is going to take a long time and a lot of hard work to integrate the cooperatives as well as they should be with the farm.

My personal view of a cooperative is that a small cooperative at the local level is ideal in the sense that it takes the cooperative closer to the farmers, and the farmers can discuss their problems much better in small groups than they can in state-wide or regional cooperatives. On the other hand, a small cooperative cannot possibly succeed today in the face of the competition which is presented to them by large organizations with their tremendous buying power. This would seem to indicate a consolidation of smaller cooperatives. While there might be some reasonableness to the idea of increasing the number of cooperatives, it seems to me that integration should take place in a vertical rather than in a lateral manner. This would then give all the smaller cooperatives the tremendous buying power which is so necessary, or, in the case of a marketing operation, a tremendous volume, which is so necessary to the ultimate success of any business organization.

Certainly the contemplation of this type of organization also brings into sharp focus the tremendous problems of adequate management for this type and size of operation. It also requires the services of many specialists in their respective fields. Certainly those specialists could not be employed or utilized by the smaller type cooperative. One further thing in this connection, which is not unimportant at all, is that a larger organization with more efficient management and personnel could certainly borrow money to a much greater advantage than small isolated cooperatives could possibly do.

When we conceive of such type of organization, we are immediately confronted with the fact that we are totally lacking in personnel who are adequately trained in the fundamentals of a cooperative enterprise; therefore, we would have to draw into such an organization, or organizations, people who perhaps were well qualified from a technical standpoint, but

who would first have to be trained entirely in cooperative work. This we have found to be a very difficult thing to do. It is very unfortunate for our area that we do not have college graduates with sufficient cooperative education who can step into the organization and apply their technical knowledge almost from the beginning, without having to spend many years training to acquire their knowledge after they have left college. I think, too, that it poses a wonderful opportunity for a large number of capable energetic young men who are yet to come out of the colleges into the cooperatives.

D. The last point which I should like to comment upon is that of research. Fortunately for all America, our research people in agriculture have done a magnificent job of, first, determining how we can produce more crops and better crops on the same unit of land, and second, they have successfully disseminated this information to the farming people. There are still large areas, however, which have scarcely been touched: for instance, transportation, packaging and preserving, and perhaps dozens of other real problems in getting the products of the farms to the tables of the consumers. Very little research work has gone into any of these problems up to the present time, and we are still extremely wasteful in our methods of handling products from the farm to the consumer's table. Not only does this waste occur in actual lack of number of pounds which are finally presented to the consumer, but also the loss of quality and vitamins is highly important. This opens up a never-ending field for young people who would come into this type of work. The entire development of America, and the world, for that matter, has been predicated entirely on research, and here lies before us a very broad field which is as yet uncultivated.

In conclusion, I should like to say that those of us in the Southeast live in an area whose soils are rich with all the vital minerals which are necessary for the production of food and fiber. We are blessed with all-year weather which permits the individual to live very largely in the open, which is certainly beneficial to humanity. If we can seize the opportunities which lie before us, and develop the raw materials which we have, there is a gigantic future for all of those who are willing to pay the price in hard work and infinite study.



